




## MEMORANDUM

Agenda Item No. 7(E)(1)(A)

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**TO:** Honorable Chairperson Barbara Carey-Shuler, Ed.D  
and Members, Board of County Commissioners

**DATE:** March 16, 2004

**FROM:** George M. Burgess  
County Manager 

**SUBJECT:** Resolution Approving  
the Finance Department  
Credit and Collections  
Memorandum of  
Understanding

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### RECOMMENDATION

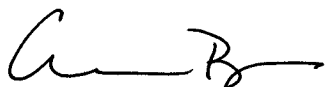
It is recommended that the Board approve the attached resolution approving the Finance Department Credit and Collections Section Memorandum of Understanding (MOU), in substantially the form attached, between management and employees of the Finance Department Credit and Collection Section. The MOU authorizes a gainsharing program in which monthly bonus payments are awarded to employees when revenue targets are exceeded.

### BACKGROUND

The Credit and Collections Section of the Finance Department provides collection services on debts owed to various departments throughout the County, including Jackson Memorial Hospital, Fire Rescue and Water and Sewer, for example. Additionally, the Section provides billing services for off-duty police services and oversees accounts that are outsourced to private collection agencies. The attached MOU provides financial incentives for individual collectors and supervisors who achieve gross monthly collections in excess of a revenue target. Our Performance Improvement group validated the collection targets by researching national data for collectors and collection agencies, and by reviewing historical performance levels. The MOU also provides financial incentives for support staff and the Section Manager for exceeding a monthly net revenue target based on the Section's annual revenue budget. Payments to collectors, supervisors and the Section Manager are capped at \$4,800 per year, while payments to support staff are limited to \$2,400 annually. An overview of the program was presented to the Efficiency and Competition Committee at its October 31, 2003 meeting.

One of my management priorities has been the promotion of results oriented County government. Gainsharing agreements are an innovative means of encouraging a results oriented perspective among our employees, by providing financial incentives for the achievement of exceptional performance. I look forward to bringing forward additional gainsharing agreements for your consideration in the future.

Attachments



Assistant County Manager



# MEMORANDUM

(Revised)

**TO:** Hon. Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

**DATE:** March 16, 2004

**FROM:** Robert A. Ginsburg  
County Attorney

**SUBJECT:** Agenda Item No. 7(E)(1)(A)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor

Agenda Item No. 7 (E) (1) (A)

Veto \_\_\_\_\_

3-16-04

Override \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING THE FINANCE DEPARTMENT  
CREDIT AND COLLECTIONS SECTION PRODUCTIVITY  
AND REVENUE GENERATION PROGRAM AS OUTLINED  
IN THE ACCOMPANYING MEMORANDUM OF  
UNDERSTANDING

**WHEREAS**, the Board desires to accomplish the purposes outlined in the accompanying memorandum from the County Manager, a copy of which is incorporated for reference; and

**WHEREAS**, the Credit and Collections Section provides collection services on debts owed to various departments throughout the County; and

**WHEREAS**, the County desires to have this service provided in the most effective, efficient and competitive manner possible, while providing excellent customer service and complying with all federal, state, and local rules and regulations; and

**WHEREAS**, the attached Memorandum of Understanding commits the Credit and Collection Section collectors to a level of productivity commensurate with the private sector. ,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA**, that this Board approves the Finance Department Productivity and Revenue Generation as outlined in the accompanying Memorandum of Understanding, in substantially the form attached, a copy of which is incorporated herein, and authorizes monthly bonus payments to Credit and Collections Section employees according to the terms established therein.

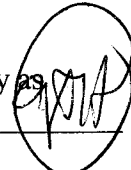
The foregoing resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_ and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson	
Katy Sorenson, Vice-Chairperson	
Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 16th day of March, 2004. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency. 

By: \_\_\_\_\_  
Deputy Clerk

Gerald T. Heffernan

**Miami-Dade County  
Finance Department  
Credit and Collections Section**

**Productivity and Revenue Generation Program  
Memorandum of Understanding**

**I. PREAMBLE**

This Memorandum of Understanding (MOU) memorializes an agreement reached on \_\_\_\_\_ between the County Manager on behalf of Miami-Dade County, the Director and Assistant Director of the Office of Strategic Business Management, the Director of the Finance Department, and the employees of the Finance Department's Credit and Collections Section, hereafter referred to as "the parties".

**II. SCOPE**

This Productivity and Revenue Generation Program commits the parties to the goals contained within this MOU relating to revenue generation and gainsharing. The primary responsibility of the Credit and Collections Section is to perform collection work on debts owed to various departments throughout the County, while adhering to State and Federal Laws regarding the collection of debt. Debt collection services are currently provided for the following departments within the County:

- Jackson Memorial Hospital
- Fire Rescue
- Water and Sewer
- Police Department
- Solid Waste
- Bad Checks (various departments)
- Building Department
- Aviation Department
- Consumer Services
- Parks and Recreation

The scope of this Productivity and Revenue Generation Program will also include collection services for other departments within the County, as well as municipalities outside the control of the County. While there are no agreements currently in place with outside municipalities, agreements are anticipated during the term of this agreement. Additionally, the Section oversees the collection of certain delinquent accounts by private agencies and provides billing services for off-duty police services.

The program is designed to provide an incentive to employees to generate revenue in an amount commensurate with private sector providers, while meeting

budgetary requirements and maintaining the integrity and professionalism required in a customer service environment. The revenue targets presented in this document, if achieved, will represent a substantial growth in revenues to the County, and within the Credit and Collections Section of the Finance Department. While gainsharing in the County has historically been done on an annual basis, collection of debt requires a much more immediate reward system; therefore, this agreement is based on monthly goals and rewards. The budget for the incentive program was built into the Credit and Collections budget for FY 2003-04, and incentive payouts are contingent upon achieving individual revenue targets. Revenues generated above and beyond the Section's budgetary requirements will be utilized to assist in the funding of other Sections within the Finance Department.

It is the intent of this agreement to comply with the Miami-Dade Countywide Gainsharing Guidelines.

### **III. SERVICE LEVELS AND REVENUE TARGETS**

This MOU is a commitment to operating the Credit and Collections Section effectively, efficiently, and in a manner commensurate with quality customer service. The revenue target for collectors reflects a level of competitive performance commensurate with private collection service providers.

#### *A. Service Levels*

All service methods and procedures implemented to meet the objectives of the Productivity and Revenue Generation Program will be developed under the premise that core service functions must be maintained at current standards or better, and comply with all State and Federal laws and guidelines. Credit and Collection customers are defined as the departments that assign debts for collection to the Section, as well as the individuals or entities that owe a debt to the County.

#### *B. FY 2003-04 Revenue target*

##### **Production Staff**

The in-house collections revenue target shall be a minimum of \$15,000 gross per month, per collector. This target, which represents a ratio of collection income to collector salaries, is commensurate with private sector collection standards. The amount is inclusive of initial payments only and excludes pre-arranged partial payments.

The revenue target for supervisors shall be a minimum of \$15,000 gross per month, multiplied by the number of collectors assigned to the supervisor.

Targets for collectors and supervisors may be adjusted if the average gross monthly amount collected per collector exceeds the individual revenue target for three consecutive months.

It is anticipated that the implementation of a new collection system will allow for improved tracking of pre-arranged partial payments. Once sufficient data becomes available, a separate revenue target for Partial Payment Account (PPA) collectors may be established.

#### **Management and Support Staff**

The revenue target for the Credit and Collections Manager and support staff, including the Accounting Supervisor and Systems Analyst Programmer, will be a minimum of \$211,250 net revenue per month, which is equivalent to 1/12 of the Section's annual revenue budget. This target will be revised yearly in accordance with the annual budget, and may be adjusted during the year in the event of major changes to the adopted budget.

#### *C. Term and Option Years*

This MOU is valid for Fiscal Year 2003-04 through Fiscal Year 2005-06, and can be extended by mutual consent of the parties for up to two (2) additional one (1) year periods.

### **IV. Employee Gainsharing Distributions and Eligibility**

A. Monthly gainsharing distributions shall be based on revenue target identified above, as follows:

#### **1. Production Staff**

- a. Each Finance Collection Specialist and Paralegal Collection Specialist will receive a base-level payout of \$250 for each month in which (s)he collects at least \$15,000 gross dollars, inclusive of initial payments only. Additionally, for every gross \$1,000 collected above the \$15,000 mark, the employee will earn an incremental payout of \$20, up to the maximum payout of \$400 per month and \$4,800 per fiscal year.
- b. Credit and Collection Supervisors achieving the revenue target shall receive a base-level payout of \$250. Additionally, for every gross \$1,000 collected above the revenue goal by the workgroup, the Supervisor will earn an incremental payout of \$10, up to the maximum payout of \$400 per month and \$4,800 per fiscal year.

## 2. Management and Support Staff

- a. Should the Section achieve the revenue target, the Accounting Supervisor and Systems Analyst Programmer will each receive the maximum monthly bonus amount of \$300.
- b. Should the Section achieve the revenue target, other support staff will receive the maximum monthly bonus amount of \$200.
- c. The Credit and Collection Manager will receive a flat bonus of \$400 for each month in which the revenue target for the Section is achieved.

### B. Gainsharing Eligibility

#### 1. General Eligibility Rules:

- Award recipients should be County employees regardless of employment status (i.e. full-time, part-time, temporary, substitute, probationary, exempt, etc.) or temporary employees paid by the County.
- Employees who are delinquent in court-ordered payments will have their Awards garnished according to state law.

#### 2. Part-Time Employees:

- Distributions to part-time employees will be prorated to reflect the portion of a month worked in relation to a full-time employee. The revenue goal of a part-time Finance Collection Specialist or Paralegal Collection Specialist will be similarly prorated.

#### 3. Months Partially Worked:

##### a. *For Collectors:*

- Finance Collection Specialists and Paralegal Collection Specialists who worked only a portion of the month but still exceeded the monthly goal will be entitled to gainsharing according to the schedule detailed in Attachment I. However, the revenue goal for these employees will not be prorated or reduced, regardless of the reason for the absence.

##### b. *For Supervisors, Support Staff and Managers:*

- New hire employees who worked only a portion of the month will not be entitled to any gainsharing for that month.



- Employees who separate from the County, retire or transfer to another department or section will not be entitled to any gainsharing for that month.
- Employees who are out of pay status, on family leave, leave without pay, or extended sick or injury leave for an entire month or a portion of a month exceeding two (2) weeks in duration will not be eligible for gainsharing for that month.
- Earned and accrued sick leave and annual leave of less than two (2) weeks in duration will not affect the payout of an individual's gainsharing distribution. If the cumulative total of leave used exceeds two (2) weeks in a given month, the employee will not be eligible for gainsharing for that month.

4. Impact of Employee Performance, Disciplinary Actions, and Other Actions:

a. Job Evaluations:

- Employees will be subject to a monthly informal performance review by the Credit and Collections Manager. Employee performance must be satisfactory or better to be eligible for an award.
- If an employee receives an annual performance evaluation that is below satisfactory, the employee will be suspended from the Gainsharing program for a minimum of three months. If the employee's performance becomes satisfactory or better in a subsequent month following the mandatory suspension, the employee may be reinstated to the Gainsharing program at the discretion of the Credit and Collections Manager. The Director of the Finance Department will make an effort to ensure that evaluations are completed in a timely manner.
- Employees appealing a job evaluation will have their award set aside until the appeal is resolved.

b. Counseling and Disciplinary Actions:

- An employee's award may be held in suspension pending the annual performance evaluation as a result of:
  - Informal employee counseling;
  - Formal Records of Counseling; or

- Disciplinary Action.

If the subsequent annual performance evaluation is satisfactory or above, the award will be granted.

- Employees dismissed for disciplinary reasons will not be eligible for a gainsharing award for that month, unless a hearing examiner or an arbitrator overturns the dismissal.
- Employees appealing a DAR that contributed to an unsatisfactory monthly and/or annual evaluation will have their distribution held until the appeals process is concluded. If the employee wins on appeal or subsequently receives an annual performance evaluation of satisfactory or above, the award will be paid for the month in which the DAR was given, and for subsequent months during which the employee's performance was satisfactory or above.

*d. Other Actions:*

- Employees with demotions that are voluntary or not due to disciplinary reasons are eligible for a full share of any award(s).
- Employees under criminal indictment or investigation for a work-related offense will be eligible for monthly awards only if the matter is resolved in the employee's favor. Any award(s) will be held until the outcome is determined.
- Employees suspended for disciplinary or other reasons, including as a result of a grand jury indictment per Section 2-42 (22) of the Code of Miami-Dade County, will have their award held in suspension pending the annual performance evaluation.

## **V. ADMINISTRATION OF AGREEMENT**

*A. Performance Monitoring*

- The Director of the Finance Department, in conjunction with the Credit and Collections Section, will provide the County Manager with mid-year and annual Performance Reports indicating revenues collected and incentive payouts by month, by staff member. The Performance Reports shall be delivered no later than 30 days following the end of the second and fourth quarters. (During Fiscal Year 2003-04, the mid-year report

shall be delivered no later than 30 days following the end of the first three program months.) Additionally, the Director of the Finance Department, together with the Credit and Collections Section and the Office of Strategic Business Management (OSBM) will review the revenue targets to determine whether any adjustments are required during an annual close-out process. Adjustments may be triggered mid-year when the average gross monthly amount collected per collector exceeds the individual revenue target for three consecutive months. The Finance Department and OSBM may also establish a revenue target for PPA collectors once sufficient data becomes available.

*B. Uncontrollable Events/Changes in Law*

The Productivity and Revenue Generation Program has been based on reasonable assumptions of projected costs and savings. However, the parties understand and acknowledge that extraordinary unforeseen events, beyond the reasonable control of the Credit and Collection Section employees and management, may result in costs and/or savings that could significantly affect their ability to meet the stated objectives.

To protect and promote the Program, the parties agree that cost impacts associated with extraordinary and unforeseen events may lead to adjustments of the revenue targets for purposes of assessing performance under this program. Such events may include, but are not limited to:

- Major changes to the adopted budget, including but not limited to:
  - The assignment of new accounts or cancellation of existing accounts in the Credit and Collection Section
  - Major changes in the type and/or frequency of debts assigned to the Credit and Collection Section
  - Major changes in the contingency fees earned through the collection of debts assigned to the Credit and Collection Section
- Catastrophic breakdowns of major equipment or capital
- Catastrophic Acts of Nature

Any other events beyond the reasonable control of the Credit and Collection Section, including changes in law that have a material effect upon costs or the ability of the Credit and Collection Section to perform under this MOU and corollary service agreements may have the effect of re-opening negotiations to make appropriate adjustments to the revenue target.

"Changes in law" means generally any of the following events which occur after the agreement date:

- The promulgation, modification or written change in interpretation by a controlling authority of any applicable law unless the Finance

Department had notice or should have had notice of such change as of the date of this agreement; or

- The order or judgment of any court or other controlling authority as long as it was not the result of a willful or negligent act or lack of reasonable diligence by a party to this agreement.

"Changes in law" shall not include a change in any tax or similar law.

The Director of the Miami-Dade County Finance Department, in collaboration with OSBM, shall be responsible for investigating uncontrollable events/changes in law to determine materiality, as detailed above. Upon such findings, the Director, with the concurrence of the County Manager or designee, shall issue notice to the parties of this agreement stating the cost and consequence of the event. Depending on the nature of the event and findings, the parties of this agreement may reconvene to renegotiate the revenue target in light of the event. In this case, only the revenue target of this agreement related to the specific event shall be reopened; all other terms and conditions shall remain unchanged.

#### *C. Labor / Management Cooperation*

The parties acknowledge that cooperative labor/management relations, as typified by the relationship established in developing the Productivity and Revenue Generation Program and this agreement, are critical to meeting the competitive challenge and objectives detailed in this document. The parties commit to maintaining the momentum, energy, and good will of this effort.

#### *D. Relationship with Labor Contracts*

It is the intent of the parties that this agreement be interpreted in harmony and compliance with the comprehensive labor contracts between Miami-Dade County and authorized employee organizations representing Credit and Collection Section employees. All rights and benefits of the parties under existing and future labor contracts are preserved. Any labor disputes related to Collective Bargaining agreements shall be resolved through the applicable use of established processes within labor agreements in effect at the time of the dispute.

#### *E. Applicable Law*

In the event that any condition, covenant, or provision of this MOU is held to be invalid or void by any court of competent jurisdiction, or is deemed to be contrary to the law or any covenant or condition or provision of any contract to which the County is a party, the same shall be deemed severable from the remainder of this MOU and in no way shall affect any other covenant, condition, or provision. If any covenant, condition, or provision of this MOU is deemed to be invalid due to scope or breadth, such covenant, condition, or provision shall be deemed valid to the extent the scope or breadth is permitted by law.

*F. Monthly Closeout*

At the conclusion of each fiscal month, the Credit and Collection Manager will assess the performance of the Credit and Collection Section in meeting the revenue targets and will recommend any gainsharing payments according to the schedule detailed in Attachment I and the eligibility criteria detailed in Section IV above. The Finance Department Director or designee shall authorize the payments. It shall be the responsibility of the Credit and Collection Manager to maintain performance and payout data in an auditable spreadsheet format, to be reviewed during annual closeout.

*I. Successor Agreement*

The parties recognize that insofar as it is in the public and the parties' mutual interest and insofar that the terms and conditions of this and corollary service agreements are met, it will be the option of the parties to negotiate a new agreement or extension of the existing agreement at the conclusion of the term and option years of this agreement. The new agreement will be reflective of competitive private sector alternatives.

This agreement shall be effective only after the ratification of all parties listed below as evidenced by their respective signatures and approval of the Board of County Commissioners.

IN WITNESS WHEREOF, the undersigned agree to the terms and conditions specified in this MOU.

DATE



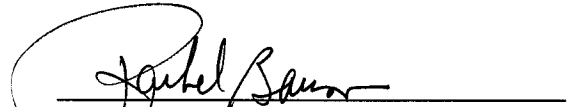
George M. Burgess, County Manager



Corinne Brody  
Special Assistant to the County Manager for  
Strategic Management Initiatives



David Morris, Director  
Office of Strategic Business Management



Rachel Baum, Director  
Miami-Dade County Finance  
Department



Rep. for Credit and Collections  
Employees, Print name:

Lucien W. Hope III

**MIAMI-DADE COUNTY  
FINANCE DEPARTMENT  
CREDIT COLLECTION SECTION**

**GAINSHARING INCENTIVE PROGRAM**

**Bonus Program Budget**

<u>Employees</u>	<u>Current FTEs</u>	<u>Max Monthly Bonus</u>	<u>Max Individual Annual Bonus</u>	<u>Maximum Annual Totals</u>
Manager	1	\$ 400	\$ 4,800	\$ 4,800
Supervisors	2	\$ 400	\$ 4,800	\$ 9,600
Collectors	10	\$ 400	\$ 4,800	\$ 48,000
Accounting Supervisor	1	\$ 300	\$ 3,600	\$ 3,600
System Analyst Programmer	1	\$ 300	\$ 3,600	\$ 3,600
Support Staff	9	\$ 200	\$ 2,400	\$ 21,600
Paralegal	3	\$ 400	\$ 4,800	\$ 14,400
				<b>\$ 105,600</b>

**Summary of Gainsharing Incentives**

<u>Employees</u>	<u>Monthly Goal</u>	<u>Fees Accrued to Finance</u>	<u>Base Bonus</u>	<u>Incremental Bonus</u>
Collectors and Paralegals	\$15,000.00	\$6,000.00	\$250.00	\$20 for every \$1,000 collected
Supervisors	\$15,000*number of collectors in workgroup		\$250.00	\$10 for every \$1,000 collected
Accounting Supervisor	\$211,250 net revenue		\$300.00	
System Analyst Programmer	\$211,250 net revenue		\$300.00	
Support Staff	\$211,250 net revenue		\$200.00	
Manager	\$211,250 net revenue		\$400.00	

**Example**

	<u>Gross Amount Collected</u>	<u>Fees Accrued to Finance</u>	<u>Base Bonus</u>	<u>Incremental Bonus</u>	<u>Total Bonus</u>
<b>Workgroup 1</b>					
Collector 1	\$ 12,000	\$ 4,800	\$ -	\$ -	\$ -
Collector 2	\$ 17,500	\$ 7,000	\$ 250	\$ 50	\$ 300
Collector 3	\$ 20,000	\$ 8,000	\$ 250	\$ 100	\$ 350
Collector 4	\$ 30,000	\$ 12,000	\$ 250	\$ 150	\$ 400
<i>Total</i>	\$ 79,500	\$ 31,800			
Supervisor			\$ 250	\$ 150	\$ 400
<b>Workgroup 2</b>					
Collector 1	\$ 11,000	\$ 4,400	\$ -	\$ -	\$ -
Collector 2	\$ 10,000	\$ 4,000	\$ -	\$ -	\$ -
Collector 3	\$ 15,000	\$ 6,000	\$ 250	\$ -	\$ 250
Collector 4	\$ 16,000	\$ 6,400	\$ 250	\$ 20	\$ 270
<i>Total</i>	\$ 52,000	\$ 20,800			
Supervisor			\$ -	\$ -	\$ -